

Registered company number: 07461134

Charity registered numbers: 1139609 (England and Wales) and SC039066 (Scotland)

Association of Charity Independent Examiners

(A company limited by guarantee)

Unaudited

Trustees' report and financial statements

For the year ended 31 March 2021

**Association of Charity Independent Examiners
(A company limited by guarantee)**

**Trustees' report and financial statements
For the year ended 31 March 2021**

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Association of Charity Independent Examiners
(A company limited by guarantee)

Reference and administrative details of the Charity, its Trustees and advisers
For the year ended 31 March 2021

Trustees	Kerry Clayton Tony Clarke Alison Cook Mark Heaton* Susan Robinson* Lee Stevenson* Frances Taylor* (from 1 July 2020) Anthony Vincent* (from 13 July 2021) Maroof Adeoye* (to 30 June 2020) Ian Barrett* (to 30 June 2020) Shaun Birch (to 30 June 2020) Eileen Houghton* (to 30 June 2020) Thomas Ojo (to 4 May 2021) *Denotes ACIE Full Member
Company registered number	07461134
Charity registered numbers	1139609 (England and Wales) and SC039066 (Scotland)
Registered office	1st Floor, Block C The Wharf Manchester Road Burnley BB11 1JG
Principal address	19 Windsor Place Edinburgh EH15 2AJ
Bankers	Unity Trust Bank PLC 9 Brindleyplace Birmingham B1 2HB
Independent examiner	Peter Taaffe FCA CTA DChA BWM Chartered Accountants Suite 5.1 12 Tithebarn Street Liverpool L2 2DT

**Association of Charity Independent Examiners
(A company limited by guarantee)**

**Trustees' report
For the year ended 31 March 2021**

The Trustees, who are the directors of Association of Charity Independent Examiners ("ACIE") for the purposes of company law, are pleased to present their report and the financial statements (together with the Independent Examiner's report thereon) of ACIE for the year ended 31 March 2021.

Structure, Governance and Management

ACIE is a charitable company limited by guarantee which was incorporated on and governed by its Articles of Association dated 6 December 2010. Each member of the company is required to contribute an amount not exceeding £1, should the company be wound up while he/she is a member, or within one year after he/she ceases to be a member. The Directors are the members of the company.

The Articles are supported by Regulations for Subscribing Members, which were last updated in February 2012.

ACIE is registered with the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Purpose

ACIE is an association of people who carry out Independent Examination ("IE"), providing support and information to its members, charities and other interested parties. The purpose of ACIE is to promote best practice in IE.

Objectives

The objects of ACIE are to promote greater effectiveness of charities in the United Kingdom in the achievement of their charitable objects by:

- providing advice, support, and training to any person acting or wishing to act as an Independent Examiner of charity accounts;
- promoting and maintaining high standards of practice and professional conduct by its members; and
- providing charity trustees with information in connection with the selection and appointment of Independent Examiners.

Activities

Activities during the year included:

- an enquiry service for members, non-members and charities seeking an Independent Examiner;
- training courses and conferences;
- publishing newsletters for members and providing topical communications by email;
- the professional qualification of Full Membership, designated by ACIE (ACIE Associate) or FCIE (ACIE Fellow); and
- collaboration with other bodies where this furthers ACIE's objects.

Public Benefit

The Trustees have considered ACIE's activities and achievements for 2020/2021 and its plans for 2021/2022, against the Public Benefit Guidance issued by the Charity Commission. They agreed that the public who benefit from ACIE's work are those who are beneficiaries of the numerous small charities that are helped either directly by ACIE's information service, or where ACIE members act as Independent Examiners.

The Trustees are satisfied that this report on ACIE's activities in 2020/2021 and its plans for the future, demonstrate that, in fulfilling its objects, the charities which ACIE assists should experience on-going or improved efficiency and confidence in their financial management allowing them to spend more time, money and energy on their own beneficiaries.

**Association of Charity Independent Examiners
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**Trustees' report (continued)
For the year ended 31 March 2021**

ACIE is committed to those who carry out IE as volunteers (VIEs), including running a Voluntary Fund to allow it to offer subsidised membership subscriptions. ACIE is very grateful to the members and others who support the fund financially, although the demand on it continues to be greater than the funds raised.

Achievements and Performance 2020/21

Our report for 2019/20 referred to a challenging but productive year, and the challenges faced have continued at a pace into 2020/21. The lock-down regulations forced by the Covid-19 pandemic prevented all face-to-face events being held during this year, including the need to cancel our two annual conferences. However, we were able to organise a number of online events to continue providing support to our members, which have been well received. The Trustees' grateful thanks go to our Development Manager, Farah Mendlesohn, and to our speakers for enabling this to happen. There were some early technical and logistical issues, but we were soon able to overcome these as we gained more experience. The current environment has advanced many organisations use of digital and we are no exception. We are always learning.

We continued to respond to member's queries and issued four newsletters. We continued to receive requests from charities seeking Independent Examiners. A number of small charities required an IE for the first time as a result of the Covid-19 grants that they received.

Members

We congratulate those Affiliate Members who successfully applied to become Full Members during 2020/21. Success is dependent on Affiliate Members being able to demonstrate that they have the requisite ability and practical experience in examining and/or preparing charities' financial statements, and results in their being able to use the designated letters of ACIE or FCIE to evidence their level of expertise in the field of IE.

We welcome our new Affiliate Members who joined during 2020/21. Unfortunately, we said goodbye to some members, including those who have decided to retire from performing IEs, and we wish them all the best for the future.

As part of a review of GDPR, all members were region coded. This revealed the need to increase our presence and reach charities and Independent Examiners in Wales, Northern Scotland and the Midlands and will be used to improve the location and targeting of our training.

Improving the standard of Independent Examination

ACIE promotes and maintains high standards of practice in part through progression to Full Membership. While a small number of Full Membership applications were approved during 2020/21, the total number of Full Members decreased primarily due to the number of retirements. ACIE intended to run a short course to support applications to Full Membership in March 2020, but this was cancelled due to Covid-19. It was replaced with an experimental mentorship scheme. Six Fellows and six Affiliate Members have been matched and we thank our Fellows who are taking part.

Members' Helpline: ACIE continued to provide a free advice and support service, supported in part by a highly regarded external charity consultant. ACIE provided detailed written responses to over one hundred members in the year, in addition to using the queries provided as cases studies for members in the newsletter.

**Association of Charity Independent Examiners
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**Trustees' report (continued)
For the year ended 31 March 2021**

Continuing Professional Development

All face-to-face events were cancelled due to Covid-19. However, these will be reinstated as soon as it is safe to do so, and in the meantime short on-line training modules were added to the members' area of ACIE's website, and best practice sessions were delivered by Zoom. 25% of the membership have taken at least one course (9.8% took more than one).

Our best practice training is designed to give Independent Examiners, whatever their experience, confidence in their abilities and takes attendees through the IE regime, considerations when taking on new clients, planning examination work, carrying out fieldwork and producing statutory and discretionary reports to the Regulator.

Continuing Professional Development ("CPD") declarations were rolled out to all Full Members as a requirement of their membership. Their returns provide evidence that our Full Members are active in seeking out CPD opportunities and also that the activities of ACIE are key to this.

Member Networking

Keeping members up to date: We published 4 newsletters and a number of bulletins, with key changes in charity finance regulation, and information on provided by government and advisory agencies on dealing with the impact of Covid-19. In addition, we advertised both our own and collaborators' events.

Working with Partner Organisations

We continued to engage with Honorary Treasurers, Association of Church Accountants and Treasurers and Charity Finance Group and plans will be made to engage in partake in outreach activity with all three.

The updated Independent Examiner workbook launched last year continued to make sales and has become a valuable tool for many Independent Examiners.

Charities SORP Committee

Tony Clarke (ACIE Trustee) was appointed to the Charities Statement of Recommended Practice (SORP) Committee in January 2020 to represent smaller charities in the sector.

Governance and Internal Policies and Procedures

ACIE continued to review its policies and procedures, the latest versions of which are available to members on our website. A project is planned to review key documents to be translated into Welsh and also stored on our website.

Challenges 2021/2022

This is a challenging time as we individually look at new ways of working with our clients, and respective clients have their own difficulties. ACIE is also looking at different ways of engaging with members and providing new methods of training. We will continue to look at this using digital formats, where more suitable. Training remains high on our agenda to raise the profile of our members against a background of Regulators reviewing the quality of financial statements submitted to them. We have decided that ACIE's two annual conferences in 2021/22 will be held online to ensure that members are kept both informed and safe, as the UK comes out of the Covid-19 restrictions.

**Association of Charity Independent Examiners
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**Trustees' report (continued)
For the year ended 31 March 2021**

What we do well:

- being mindful of changes affecting the third sector and how to continue providing our members with the information, support and advice they need, including low-cost Professional Indemnity Insurance;
- striving to proactively promote the importance of Independent Examination to trustees and treasurers;
- responding to training needs of members and non-members, including methods of provision;
- working in partnership with other organisations to promote best practice in Independent Examination; and
- engaging trustees to be committed and active members of the Board

Areas for improvement:

- increasing the numbers of people joining ACIE - in particular, under-represented demographics;
- adding value to our membership packages and raising awareness of the various benefits on offer;
- providing members with access to training and tools to help with their examinations in all parts of the UK;
- encouraging more Affiliate Members to apply for Full Membership, ensuring that the system is transparent and effective, and applications are processed efficiently;
- reflecting on the needs of the organisation and the roles and responsibilities of ACIE Trustees, ACIE staff and the individuals who provide office and administrative support;
- continuing to encourage Full Members to maintain their CPD and to complete their CPD declarations; and
- expanding regional engagement.

Trustees

The Board consists of up to nine Trustees, elected by ACIE's Subscribing Members, to serve for a period not exceeding three years, and up to three Trustees co-opted by the elected Trustees to serve until the following 30 June.

Eligibility:

- Elected Trustees must be Subscribing Members of ACIE. Co-opted Trustees may, but are not required to, be Subscribing Members of ACIE.
- The majority of the Trustees must be ACIE Full Members.
- Retiring Trustees are eligible for re-election or may be co-opted again, provided that no Trustee may serve for more than nine consecutive years.

The names of the Trustees who have served since 1 April 2020 are shown on page 1 above.

Organisational structure

The Trustees normally meet three times per year to consider the business of ACIE. In 2019/20, these meetings were held in London. As a result of the pandemic, a larger number of shorter-length meetings were held virtually during 2020/21. This enabled ACIE business to be carried out as effectively as possible despite the required and immediate need for changes in practice.

Trustees also participated in the following committees that met regularly as required. Terms of Reference were reviewed during the year and agreed by each Chair:

- Governance and Finance Committee
- Membership Committee
- Training Committee
- Advisory Committees for Scotland and Northern Ireland

**Association of Charity Independent Examiners
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**Trustees' report (continued)
For the year ended 31 March 2021**

Financial Review

ACIE's total income receivable for 2020/21 was £55,142 (2019/20: £51,302). A total of £35,573 (2019/20: £62,278) was expended on ACIE's activities, which resulted in a net increase in funds of £19,569 (2019/20: £16,773).

ACIE's income is primarily derived from membership subscriptions, which fell to £32,741, from £36,570 received the previous year. ACIE's activities include the provision of annual conferences and delivering training. However, the conferences had to be cancelled in 2020/21. There was an increase in the amounts received from members for professional indemnity insurance (£7,950 compared with £5,895 for the previous year). We delivered a number of online training courses to members and non-members during 2020/21, which generated income of £10,291, compared with £16,732 for the previous year.

Expenditure on ACIE's activities was also reflected by Covid 19, directly as a result of not holding in person events or meetings. Charitable expenditure fell to £35,573 from £62,278 spent the previous year.

ACIE's funds at 31 March 2020 totalled £70,871 (2020: £51,302). During the coming months, a key focus of the Trustees will be identifying and implementing additional ways of supporting members as safely and effectively as possible. The Trustees are encouraged by the level of funds being carried into 2021/22 which will enable them to do this.

ACIE maintains a Bursary Fund restricted fund, which is made up of donations kindly made by members. This restricted fund subsidises those members who are Voluntary Independent Examiners ("VIEs") and pay their membership subscriptions at a lower level than other members. Donations to the Bursary Fund totalling £1,099 were utilised during 2020/21 (2019/21: £640).

Reserves Policy

The Trustees' reserves policy is to maintain a minimum of six months' running costs (currently about £20,000) to ensure sufficient working capital is available to meet expected expenditure and liabilities in the event of a fall in income. At 31 March 2021, the balance on the General Fund was £65,879 (all held in liquid funds), which means that there were excess free reserves of £45,879 at that date.

Risk Management

The Trustees continued to assess and address the risks faced by ACIE, and undertook a review of its disaster recovery plan during the year. The major challenges are having only one part-time employee, how to maintain and grow the numbers of Full Members, and how to ensure that Full Members adopt and maintain high standards of practice.

Accounting and Reporting Responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Association of Charity Independent Examiners
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**Trustees' report (continued)
For the year ended 31 March 2021**

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of ACIE's state of affairs and of its income and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) ("the Charities SORP");
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that ACIE will continue in business.

The Trustees are responsible for:

- keeping adequate accounting records which:
 - are sufficient to show and explain ACIE's transactions and disclose with reasonable accuracy at any time the financial position of ACIE; and
 - enable them (the Trustees) to ensure that the financial statements comply with the Companies Act 2006; and
- safeguarding ACIE's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

This report, which was prepared in accordance with the provisions within Part 15 of the Companies Act 2006 relating to small companies, was approved by the Trustees on 16 December 2021 and signed on their behalf by:



Mark Heaton
Trustee

**Association of Charity Independent Examiners
(A company limited by guarantee)**

**Independent examiner's report
For the year ended 31 March 2021**

Independent examiner's report to the Trustees of Association of Charity Independent Examiners

I report to the Trustees on my examination of the financial statements of Association of Charity Independent Examiners (the Charity) for the year ended 31 March 2021.

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the Charity (and its Directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act'), the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's financial statements carried out under section 44(1)(c) of the 2005 Act and section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and all the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Signed:

Dated: 20 December 2021

Peter Taaffe FCA CTA DChA
BWM Chartered Accountants
Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

Association of Charity Independent Examiners
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Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2021

	Note	Unrestricted Funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	-	671	671	946
Charitable activities	5	54,428	-	54,428	77,927
Bank interest		43	-	43	178
Total income		54,471	671	55,142	79,051
Expenditure on charitable activities:					
Direct costs	6	10,685	-	10,685	26,742
Support costs	7	24,888	-	24,888	35,536
Total expenditure		35,573		35,573	62,278
Net income		18,898	671	19,569	16,773
Transfers between funds	14	1,099	(1,099)	-	-
Net movement in funds		19,997	(428)	19,569	16,773
Reconciliation of funds:					
Total funds brought forward	14	50,738	564	51,302	34,529
Total funds carried forward	14	70,735	136	70,871	51,302

This statement of financial activities includes all gains and losses recognised in the year and complies with the requirements for the income and expenditure account under the Companies Act 2006.

All income and expenditure derive from continuing activities.

Comparative figures for the previous year by fund type are shown in Note 17.

The notes on pages 11 to 19 form an integral part of these financial statements.

Association of Charity Independent Examiners
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Balance sheet
As 31 March 2021

	Note	Total funds 2021 £	Total funds 2020 £
Current assets:			
Debtors	11	5,882	8,187
Cash at bank and in hand		75,837	53,438
		81,719	61,625
Creditors: Amounts falling due within one year	12	(10,848)	(10,323)
Total net assets	15	70,871	51,302
The funds of the charity:			
Restricted fund - Bursary Fund	14	136	564
Unrestricted funds:			
Designated Fund - Development Fund	14	4,856	5,000
General Fund	14	65,879	45,738
Total unrestricted funds		70,735	50,738
Total funds		70,871	51,302

The Trustees (who are also the Directors of ACIE for the purposes of company law) confirm that, for the year ended 31 March 2021:

- ACIE was entitled to exemption from audit under section 477 of the Companies Act 2006 ("the Act"), and
- members have not required ACIE to obtain an audit of its financial statements in accordance with section 476 of the Act. However, in accordance with section 145 of the Charities Act 2011 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005, the financial statements have been examined by an Independent Examiner, whose report appears on page 8.

The Trustees acknowledge their responsibilities for ensuring that ACIE keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of ACIE's state of affairs as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the Company.

The notes on pages 11 to 19 form an integral part of these financial statements.

These financial statements, which have been prepared in accordance with the provisions in Act relating to small companies, were approved by the Trustees on 16 December 2021 and signed on their behalf by:



Mark Heaton
Trustee

**Association of Charity Independent Examiners
(A company limited by guarantee)**

**Notes to the financial statements
For the year ended 31 March 2021**

1 General information

Association of Charity Independent Examiners ("ACIE") is a charitable company governed by its Articles of Association, dated 6 December 2010, and registered in England and Wales. Its registered address is 1st Floor, Block C, The Wharf, Manchester Road, Burnley BB11 1JG; and its principal address is 19 Windsor Place, Edinburgh EH15 2AJ.

ACIE is registered as a charity in England and Wales (registered number 1139609) and Scotland (registered number 07461134).

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared on an accruals basis, and on a going concern basis (Note 2.2), in accordance with:

- Part 15 (Accounts and reports) of the Companies Act 2006 [which applies to companies incorporated in the UK];
- section 8 (Statement of account - Fully accrued accounts) of The Charities Accounts (Scotland) Regulations 2006 [which applies to charities registered in Scotland];
- 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' ('the Charities SORP');
- UK Generally Accepted Accounting Practice; and
- the historical cost convention.

The financial statements are presented in UK sterling, which is ACIE's functional currency, and rounded to the nearest pound.

There have been no changes to the basis of preparation this year or to the previous year's financial statements.

ACIE does not constitute a "larger charity" for the purposes of the Charities SORP, and has opted not to include a statement of cash flows in these financial statements.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate - ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of ACIE to continue as a going concern.

The Trustees make this assessment in respect of at least one year from the date they approve the financial statements and, although it is difficult to evaluate with any certainty the impact of the Covid-19 pandemic on ACIE's future activities, have concluded that:

- ACIE has adequate resources and reserves to enable it to continue in operational existence for the foreseeable future;
- there are no material uncertainties about ACIE's ability to continue as a going concern; and
- it remains appropriate to adopt the going concern basis of accounting in preparing these financial statements.

**Association of Charity Independent Examiners
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**Notes to the financial statements
For the year ended 31 March 2021**

2 Accounting policies (continued)

2.3 Fund accounting

Any donation or grant received by ACIE that the donor requires to be used for a specified purpose is treated as 'restricted' income and credited to the appropriate 'restricted fund'. Any costs incurred in raising or administering such funds are charged against the relevant restricted fund.

All other donations and grants received by ACIE are treated as 'unrestricted' income and credited to the General Fund, which is an 'unrestricted fund'.

Designated funds are unrestricted funds that the Trustees have set aside for particular purposes.

2.4 Income

All income is recognised once ACIE has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from subscriptions is recognised over the 12-month period of the membership to which they relate. Any portion of a member's subscription that relates to a period after 31 December is accounted for as deferred income in the balance sheet.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by ACIE; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Expenditure

Expenditure is recognised on an accruals basis; as soon as a legal or constructive obligation has arisen that commits ACIE to transfer economic benefit (usually in the form of money) to a third party in settlement, and the amount of the obligation can be measured or estimated reliably.

A legal obligation arises when ACIE enters into a binding contract or there is a statutory requirement for ACIE to make a payment. When ACIE enters into a contract for the supply of goods or services, expenditure is recognised once the supplier of the goods or services has performed its part of the contract.

A constructive obligation arises when ACIE indicates to other parties that it accepts particular responsibilities and thereby creates a valid expectation on their part that ACIE will meet them.

Expenditure on charitable activities comprises expenditure that is incurred when undertaking the activities which further ACIE's objectives, as well as any associated support costs.

Governance costs comprise all costs involving the public accountability of ACIE and its compliance with regulation and good practice, including the costs of preparing and examining the financial statements, the cost of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

2.7 Taxation

ACIE is not liable to corporation tax, capital gains tax or income tax on its charitable activities. Irrecoverable VAT is included in the asset cost or the expense to which it relates.

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**Notes to the financial statements
For the year ended 31 March 2021**

2 Accounting policies (continued)

2.8 Tangible assets

Tangible assets are capitalised if they can be used for more than one year and cost at least £1,000. They are valued at cost or, if gifted, at their value on receipt.

ACIE does not currently have any capitalised tangible assets.

2.9 Cash at bank and in hand

Cash at bank and in hand comprises cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Financial instruments

ACIE has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in ACIE's balance sheet when ACIE becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when ACIE's contractual obligations expire or are discharged or cancelled.

Association of Charity Independent Examiners
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Notes to the financial statements
For the year ended 31 March 2021

3 Critical accounting estimates and areas of judgement

In the application of ACIE's accounting policies, the Trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

4 Income from donations and legacies

	Restricted fund - Bursary Fund 2021 £	Restricted fund - Bursary Fund 2020 £
Donations to Bursary Fund	535	640
Gift Aid claimed on donations to Bursary Fund	136	306
	671	946

5 Income from charitable activities

	Unrestricted fund - General Fund 2021 £	Unrestricted fund - General Fund 2020 £
Membership subscriptions	32,741	36,570
Fees - Training courses and webinars	10,291	16,732
Professional indemnity insurance fees from members	7,950	5,895
Sales of 'Independent Examiner Workbook for Members'	2,996	5,277
Fees - Membership applications	450	270
Fees - Conferences	-	13,183
	54,428	77,927

6 Expenditure on charitable activities - Direct costs

	Unrestricted fund - General Fund 2021 £	Unrestricted fund - General Fund 2020 £
Training courses	5,692	11,292
Professional Indemnity Insurance for members	4,153	4,153
Bank processing costs	840	1,311
Conferences	-	9,986
	10,685	26,742

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7 Expenditure on charitable activities - Support costs

	Total funds	Total funds
	2021	2020
	£	£
Staff costs (Note 8)	14,435	16,309
Office and administrative support	4,205	5,243
Website and email	1,861	1,716
Governance costs (Note 9)	1,808	3,516
Office rent, rates and insurance	887	850
Subscriptions	707	326
Telephone and internet	474	437
Payroll service	270	258
Sundries	144	149
Recruitment and training	97	911
Advertising and publicity	-	2,863
Travel	-	1,992
Computer equipment	-	713
Postage and stationery	-	253
	24,888	35,536

£Nil of the computer equipment cost (2020: £500) was from restricted funds. All other expenditure for both years was from unrestricted funds.

8 Expenditure on charitable activities - Support costs - Staff costs

	Unrestricted fund - General Fund	Unrestricted fund - General Fund
	2021	2020
	£	£
Wages and salaries	14,435	16,123
Pension costs	-	186
	14,435	16,309

The average number of persons employed by ACIE during the year was as follows:

	2021	2020
	Number	Number
Development	1	1

No employee received remuneration amounting to more than £60,000 in either year.

9 Expenditure on charitable activities - Support costs - Governance costs

	Unrestricted fund - General Fund	Unrestricted fund - General Fund
	2021	2020
	£	£
Independent examiner's fee	1,440	1,020
Trustee training	194	-
Legal advice	120	120
Compliance charges	54	48
Trustees' expenses (Note 10)	-	2,328
	1,808	3,516

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**Notes to the financial statements
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10 Trustees' remuneration and expenses

Neither Trustees nor any persons connected with them received any remuneration or other benefits for either year.

For the year ended 31 March 2021, none of the Trustees was reimbursed for any expenses incurred in fulfilling their Trustee duties.

For the year ended 31 March 2020, a total of £2,328 was reimbursed to eight Trustees for travel expenses incurred in fulfilling their Trustee duties, and £1,493 was reimbursed to one Trustee for website expenses incurred in fulfilling their Trustee duty.

The Trustees are ACIE'S key management.

11 Debtors

	2021 £	2020 £
Prepayments	5,676	7,023
Gift aid recoverable	136	564
Other debtors	70	600
	<u>5,882</u>	<u>8,187</u>

12 Creditors: Amounts falling due within one year

	2021 £	2020 £
Deferred income	8,949	5,460
Accruals	1,200	1,020
Provisions for refunds payable	612	3,600
PAYE & NI contributions	87	243
	<u>10,848</u>	<u>10,323</u>

13 Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure:		
Cash at bank and in hand	75,837	53,438
Gift aid recoverable	136	564
Other debtors	70	600
	<u>76,043</u>	<u>54,602</u>
	2021 £	2020 £
Financial liabilities		
Financial liabilities measured at fair value through income and expenditure:		
Accruals	(1,200)	(1,020)
Provisions for refunds payable	(612)	(3,600)
	<u>(1,812)</u>	<u>(4,620)</u>

Other financial liabilities measured at fair value through income and expenditure comprise creditors.

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For the year ended 31 March 2021

14 Statement of funds

Year ended 31 March 2021

	Balance at beginning of year £	Income £	Expenditure £	Transfers in/out £	Balance at end of year £
Unrestricted funds					
Designated fund - Development Fund	5,000	-	(144)	-	4,856
General Fund	45,738	54,471	(35,429)	1,099	65,879
Total unrestricted funds	50,738	54,471	(35,573)	1,099	70,735
Restricted fund					
Bursary Fund	564	671	-	(1,099)	136
Total funds	51,302	55,142	(35,573)	-	70,871

Year ended 31 March 2020

	Balance at beginning of year £	Income £	Expenditure £	Transfers in/out £	Balance at end of year £
Unrestricted funds					
Designated fund - Development Fund	-	-	-	5,000	5,000
General Fund	33,771	78,105	(61,778)	(4,360)	45,738
Total unrestricted funds	33,771	78,105	(61,778)	640	50,738
Restricted funds					
Bursary Fund	258	946	-	(640)	564
Computer Fund	500	-	(500)	-	-
Total restricted funds	758	946	(500)	(640)	564
Total funds	34,529	79,051	(62,278)	-	51,302

Designated fund - Development Fund

The Trustees resolved to designate £5,000 of the General Fund to be spent on development and training for the members. As a result of the pandemic, progress on this was limited, but the Trustees remain committed to utilising these funds for these purposes.

Restricted fund - Bursary Fund

The Bursary Fund is provided by donations from members, and used to subsidise those members who are Voluntary Independent Examiners ("VIEs") and pay their membership subscriptions at a lower level than other members.

During the year, £1,099 (2020: £640) was transferred from the Bursary Fund to the General Fund. The balance on the Bursary Fund at the financial year-end is represented by the amount of Gift Aid recoverable at that date on the donations received for the Bursary Fund.

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For the year ended 31 March 2021

15 Analysis of net assets between funds

31 March 2021

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Current assets	81,583	136	81,719
Creditors: Amounts falling due within one year	(10,848)	-	(10,848)
Total	70,735	136	70,871

31 March 2020

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Current assets	61,061	564	61,625
Creditors: Amounts falling due within one year	(10,323)	-	(10,323)
Total	50,738	564	51,302

16 Related party transactions

Since 1 April 2019, Mark Heaton (ACIE Trustee from 22 October 2019) has been Managing Director of the accountancy practice, KM Business Solutions Limited.

For the year ended 31 March 2021, fees totalling £324 were payable by ACIE to KM Business Solutions Limited, for payroll service (£270) and compliance charges (£54).

For the period from 22 October 2019 to 31 March 2020, fees totalling £48 were payable by ACIE to KM Business Solutions Limited for compliance charges.

All individuals who were Trustees for all or part of the two years paid the same amounts as other members for their membership subscriptions, conference fees, course fees and the Independent Examiner Workbook for Members.

Other than those reported in Note 10 and in this Note, there were no related party transactions in either year that require disclosure.

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Notes to the financial statements
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17 Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2020

	Note	Unrestricted Funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	-	946	946	1,558
Charitable activities	5	77,927	-	77,927	61,076
Bank interest		178	-	178	132
Total income		78,105	946	79,051	62,766
Expenditure on charitable activities:					
Direct costs	6	26,742	-	26,742	16,880
Support costs	7	35,036	500	35,536	40,580
Total expenditure		61,778	500	62,278	57,460
Net income		16,327	446	16,773	5,306
Transfers between funds	14	640	(640)	-	-
Net movement in funds		16,967	(194)	16,773	5,306
Reconciliation of funds:					
Total funds brought forward	14	33,771	758	34,529	29,223
Total funds carried forward	14	50,738	564	51,302	34,529